



# **2015 Nebraska Tax Symposium**

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# Today's Agenda

1. Individual Income Tax
2. Individual Income Tax 2014 Legislative Changes
3. Property Tax – Homestead Exemption
4. Business Taxes
5. Business Taxes 2014 Legislative Changes
6. 2015 Legislative Changes
7. Publishing Department Responses

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# Individual Income Tax

# 2015 Processing Year

## Income tax filing statistics as of April 10

- Individual income tax returns filed:
  - 2014 – 649,230 (92.9% e-filed)
  - 2015 – 664,579 (94.2% e-filed)

# 2015 Processing Year

- Beginning with tax year 2014, the Department has discontinued the use of alert messages in tax return acceptance acknowledgments.
- This process appears to have been very successful and will be continued in future years. By only requesting what the Department needs after the return is received, the Department increased efficiency.
- The Form 8453N was eliminated and will not be used for tax years 2015 and later.

# 2015 Processing Year

## Use tax filing statistics

- 49,152 Forms 1040N reported a use tax liability for a total of \$2,824,048 since the use tax line was added to the income tax return.
- An estimated \$57 to 76 million in sales and use taxes on remote sales goes uncollected on an annual basis.
  - \$45 to 60 million in state sales tax revenue
  - \$12 to 16 million in local sales tax revenue



# General

- Nebraska Standard Deductions

	2014	2015
○ Single taxpayers	\$ 6,200	\$ 6,300
○ Head of household	\$ 9,100	\$ 9,250
○ Married, filing jointly	\$12,400	\$12,600
○ Married, filing separately	\$ 6,200	\$ 6,300
○ Qualifying Widow(er)	\$12,400	\$12,600

- Taxpayers Over Age 65 and/or Blind

- Taxpayers using married, filing jointly; married, filing separately; or qualifying widow(er) filing status, add \$1,250 per box checked.
- Taxpayers using single or head of household filing status, add \$1,550 per box checked.

# General

- Personal Exemption Credit
  - 2015 = \$130
- Tax Rate Reduction and Brackets Widened
  - For tax years beginning on or after January 1, 2013, individual income tax rates were reduced. ([LB 970](#), 2012)
  - For tax years beginning on or after January 1, 2014, individual income tax brackets have been widened. ([LB 970](#), 2012)

# Index Individual Income Tax Brackets

Beginning tax year 2015

- The four brackets for each income tax filing status will be adjusted for inflation.
- The adjustment is calculated based on a percentage change in the index, with August 31, 2013, as the base year.
- The adjustment will be calculated as of August 31 of each year.

For more information, see [Neb. Rev. Stat. § 77-2715](#).

## Individual Income Tax in 2013

Bracket Number	Married, Filing Jointly	Head of Household	Single Individuals	Tax Rate
1	\$0 - 4,800	\$0 - 4,500	\$0 - 2,400	2.46%
2	\$4,800 - 35,000	\$4,500 - 28,000	\$2,400 - 17,500	3.51%
3	\$35,000 - 54,000	\$28,000 - 40,000	\$17,500 - 27,000	5.01%
4	Over \$54,000	Over \$40,000	Over \$27,000	6.84%

## Individual Income Tax in 2014

Bracket Number	Married, Filing Jointly	Head of Household	Single Individuals	Tax Rate
1	\$0 – 6,000	\$0 – 5,600	\$0 – 3,000	2.46%
2	\$6,000-36,000	\$5,600 - 28,800	\$3,000 – 18,000	3.51%
3	\$36,000 - 58,000	\$28,800 - 43,000	\$18,000- 29,000	5.01%
4	Over \$58,000	Over \$43,000	Over \$29,000	6.84%

## Individual Income Tax in 2015

Bracket Number	Married, Filing Jointly	Head of Household	Single Individuals	Tax Rate
1	<b>\$0 – 6,090</b>	<b>\$0 – 5,690</b>	<b>\$0 – 3,050</b>	2.46%
2	<b>\$6,090 – 36,570</b>	<b>\$5,690 – 29,260</b>	<b>\$3,050 - 18,280</b>	3.51%
3	<b>\$36,570- 58,920</b>	<b>\$29,260 - 43,680</b>	<b>\$18,280 - 29,460</b>	5.01%
4	<b>Over \$58,920</b>	<b>Over \$43,680</b>	<b>Over \$29,460</b>	6.84%

# E-file Mandate

- No Change to the Tax Preparer E-file Mandate for 2015
  - Applies to tax preparers who filed 25 or more Nebraska individual income tax returns during calendar year 2015.
  - All individual income tax returns they are paid to prepare during calendar year 2016 must be e-filed.
  - The penalty is \$100 for each return not e-filed.

See the [Tax Preparer E-file Mandate FAQs](#) on the Department's website.  
[Neb. Rev. Stat. § 77-1784](#)

# Electronic Payment Options Available for Individuals

## 1. Electronic Funds Withdrawal (EFW)

- Available when filing with many software products
- Return must be filed using Fed/State software or [NebFile](#)
- Taxpayer must provide payment details with the e-filed tax return

# Electronic Payment Options Available for Individuals

## 2. E-pay

- Department's online payment program.
- Provide bank account information, and the Department debits your account on the date you specify.
- Use e-pay for amounts due with Form 1040N and for individual estimated income tax payments.
- E-pay is now accepting payments for prior year balances.

# Electronic Payment Options Available for Individuals

## 3. Credit Card Payments

- Official Payments charges a convenience fee
  - Compute this fee on their new calculator
- [officialpayments.com](http://officialpayments.com), 800-2PAY-TAX



# Electronic Payments

- Estimated income tax payments for 2015 may be made with your e-filed return by electronic funds withdrawal (EFW), by credit card, or by using the Department's e-pay system.
- Payment plans may be set up with the Department as electronic funds transfers. Complete [Form 27D](#). Include a copy of a voided check or deposit slip with Form 27D.

# Individual Income Tax Audits

- Form 4797N – Special Capital Gains Election
- Avoid a common error - Calculate the limitation on the capital gains exclusion correctly
  - The limitation calculation involves a combined net amount of short-term and long-term capital gains and losses (Line 13, Form 1040), plus \$3,000 for married filing, jointly, and \$1,500 for married, filing separately.
  - If you have capital gains exclusion deferred from a prior year, and no gains or losses in the current year, you can deduct up to \$3,000 from your carryover amount.
  - If you have a net capital loss, the \$3,000 reduced by the loss would be used for calculating the limitation.
- Focus on Nonfilers
  - Professional license holders
  - IRS data matches

# Individual Income Tax Audits

- Focus on Nonresidents
  - Schedule K-1N – S corporations
  - Partial-year residents
  - Filing income tax return claiming nonresidency
    - Residency is based on a two-factor test
      - Domicile in Nebraska
      - OR
      - Presence in Nebraska for 183 days with a permanent place of abode
  - Partial days are counted as full days in determining the 183 day requirement
  - Failure to respond to a residency Information Document Request (IDR) may lead to an assessment

## Additional Tips

- Purchase software that supports all Nebraska forms, schedules, and binary attachments. If not all are supported, contact the software vendor. Check the Department's website for additional information regarding specific software.
- Once a return has been filed and accepted, the only way to correct it is to file a paper amended return.

For more information on reject messages,  
see [E-file Business Rules](#).

# Additional Resources

- [Software Developer Handbooks](#)
  - The Department has developed technical instructions for software developers.
- Draft forms are located on the [Software Developer's](#) page.
- The Nebraska Handbook for Electronic Filers of Individual Income Tax Returns can be found by clicking on “[Tax Preparers](#)” at [revenue.nebraska.gov](http://revenue.nebraska.gov).

Note: These guides are updated annually.  
Be sure to use the 2014 guides.

# Disaster Relief

- The Department will follow [IRS' guidance](#) for income tax purposes, which postpones certain deadlines for taxpayers affected by federally-declared natural disasters.
- See [Revenue Ruling 99-09-2, IRS Disaster Relief](#).
- Affected taxpayers should mark paper income tax returns by identifying the specific disaster designation, such as “Stanton County Storms,” at the top of the return.
- Taxpayers who e-file their returns can use their software’s “disaster” feature, if available.

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# **Individual Income Tax**

## **2014 Legislative Changes**

# Partial Exclusion of Military Retirement Income

Individuals may make a one-time election to exclude:

- 40% of military retirement income that is included in federal AGI for seven years beginning with the year of election; or
- 15% of military retirement income that is included in federal AGI for all years beginning with the year that the retiree turns 67 years old.
  - The exclusion is only for military retirement benefits, not disability or other payments.
  - The election must be made within two years after retirement.
  - The election must be made on the [Form 1040N-MIL](#), which is available on the Department's website.

Operative beginning with tax year 2015.



# Partial Exclusion of Social Security Income

Individuals may exclude any Social Security income included in federal AGI if:

- Federal AGI is \$58,000 or less for a married, filing jointly return; or
- Federal AGI is \$43,000 or less for all other returns.

Operative beginning with tax year 2015.

# Income Tax

- Changes to college savings plan ([LB 296](#), 2013) on January 1, 2014
  - Maximum deduction is \$5,000 for married, filing separately filers and \$10,000 for all others
  - Account owners and parents/guardians who are custodians of an UGMA or UTMA NEST Direct account are eligible for the applicable deduction
  - Qualified rollovers from another state are eligible for the applicable deduction
  - If a successor account owner is not named, the beneficiary becomes the account owner upon the death or legal incapacity of the original account owner

# Income Tax

- Eliminated alternative minimum tax ([LB 308](#), 2013)
  - Alternative minimum tax repealed for taxable years beginning on or after January 1, 2014.
  - The AMT credit was also eliminated.
  - The tax on premature or lump-sum distributions from qualified retirement plans was retained.

# Nebraska Historic Tax Credit

- **LB 191, 2013**
  - Provides \$15 million annually for tax years 2015 through 2018
  - Any person may earn a nonrefundable tax credit equal to 20% of eligible expenditures to rehabilitate historically-significant real property
  - Limited to \$1 million per project
  - Begin claiming the year the improvement is placed in service until used or December 31, 2024
  - Credits may offset tax liability and some credits may be transferred, sold, or assigned  
(Neb. Rev. Stat. [§§ 77-2709](#))
- For additional information, contact Lee Glaser at [Lee.Glaser@nebraska.gov](mailto:Lee.Glaser@nebraska.gov) or 402-471-5669.

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# **Property Tax**

# **Homestead Exemption**

# **The Homestead Exemption is a Property Tax Relief Program**

It is available for three categories of homeowners:

- Persons over age 65;
- Qualified disabled individuals; or
- Qualified totally disabled veterans and their widow(er)s.

# Homestead Legislative Changes Effective January 1, 2015 (**LB 986**, 2014)

- Exemption for individuals who have a developmental disability
  - Certification from the Department of Health and Human Services is required.
  - Income and home value requirements apply.
- 100% service-connected disabled veterans and their widow(er)s have no income, maximum value, or maximum exemption requirements.

# Property Tax, Homestead Exemption (continued)

## Form 1040

## U.S. Individual Income Tax Return

Enlarged View

**Form 1040** Department of the Treasury—Internal Revenue Service (99) **2014** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2014, or other tax year beginning , 2014, ending , 20

Your first name and initial Last name

If a joint return, spouse's first name and initial Last name

Home address (number and street). If you have a P.O. box, see instructions. Apt. no.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).

Foreign country name Foreign province/state/country Foreign postal code

**Filing Status**

1 ☐ Single

2 ☐ Married filing jointly (even if only one had income)

3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ▶

4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶

5 ☐ Qualifying widow(er) with dependent child

**Exemptions**

6a ☐ Yourself. If someone can claim you as a dependent, do not check box 6a.

b ☐ Spouse

c Dependents:

(1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) ☐ If child under age 17 qualifying for child tax credit (see instructions)

If more than four dependents, see instructions and check here ▶ ☐

d Total number of exemptions claimed

**Income**

7 Wages, salaries, tips, etc. Attach Form(s) W-2

8a Taxable interest. Attach Schedule B if required

b Tax-exempt interest. Do not include on line 8a

9a Ordinary dividends. Attach Schedule B if required

b Qualified dividends

10 Taxable refunds, credits, or offsets of state and local income taxes

11 Alimony received

12 Business income or (loss). Attach Schedule C or C-EZ

13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ ☐

14 Other gains or (losses). Attach Form 4797

15a IRA distributions

b Taxable amount

16a Pensions and annuities

b Taxable amount

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E

18 Farm income or (loss). Attach Schedule F

19 Unemployment compensation

20a Social security benefits

b Taxable amount

21 Other income. List type and amount

22 Combine the amounts in the far right column for lines 7 through 21. This is your total income ▶

23 Educator expenses

**Adjusted Gross Income**

**Form 1040** Department of the Treasury—Internal Revenue Service (99) **2014** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2014, or other tax year beginning , 2014, ending , 20

Your first name and initial Last name

If a joint return, spouse's first name and initial Last name

Home address (number and street). If you have a P.O. box, see instructions. Apt. no.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).

Foreign country name Foreign province/state/country Foreign postal code

**Filing Status**

1 ☐ Single

2 ☐ Married filing jointly (even if only one had income)

3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ▶

4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶

5 ☐ Qualifying widow(er) with dependent child

**Exemptions**

6a ☐ Yourself. If someone can claim you as a dependent, do not check box 6a.

b ☐ Spouse

c Dependents:

(1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) ☐ If child under age 17 qualifying for child tax credit (see instructions)

If more than four dependents, see instructions and check here ▶ ☐

d Total number of exemptions claimed

**Income**

7 Wages, salaries, tips, etc. Attach Form(s) W-2

8a Taxable interest. Attach Schedule B if required

b Tax-exempt interest. Do not include on line 8a

9a Ordinary dividends. Attach Schedule B if required

b Qualified dividends

10 Taxable refunds, credits, or offsets of state and local income taxes

11 Alimony received

12 Business income or (loss). Attach Schedule C or C-EZ

13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ ☐

14 Other gains or (losses). Attach Form 4797

15a IRA distributions

b Taxable amount

16a Pensions and annuities

b Taxable amount

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E

18 Farm income or (loss). Attach Schedule F

19 Unemployment compensation

20a Social security benefits

b Taxable amount

21 Other income. List type and amount

22 Combine the amounts in the far right column for lines 7 through 21. This is your total income ▶

23 Educator expenses

**Adjusted Gross Income**



# Form 1040

## U.S. Individual Income Tax Return

**Form 1040** Department of the Treasury—Internal Revenue Service (99) **2014** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1-Dec. 31, 2014, or other tax year beginning , 2014, ending , 20 See separate instructions.

Your first name and initial Last name Your social security number

If a joint return, spouse's first name and initial Last name Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. Apt. no. **▲** Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).

Foreign country name Foreign province/state/country Foreign postal code Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. ☐ You ☐ Spouse

**Filing Status** 1 ☐ Single 2 ☐ Married filing jointly (even if only one had income) 3 ☐ Married filing separately. Enter spouse's SSN above and full name here. **4** ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. **5** ☐ Qualifying widow(er) with dependent child

Check only one box.

**Exemptions** 6a ☐ Yourself. If someone can claim you as a dependent, do not check box 6a. b ☐ Spouse

**c Dependents:**

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> If child under age 17 qualifying for child tax credit (see instructions)

If more than four dependents, see instructions and check here ☐

**d** Total number of exemptions claimed

**7** Wages, salaries, tips, etc. Attach Form(s) W-2 **7**

**8a** Taxable interest. Attach Schedule B if required **8a**

**Income**

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see instructions.

**Adjusted Gross Income**

**Form 1040** Department of the Treasury—Internal Revenue Service (99) **2014** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1-Dec. 31, 2014, or other tax year beginning , 2014, ending , 20 See separate instructions.

Your first name and initial Last name Your social security number

If a joint return, spouse's first name and initial Last name Spouse's social security number

**33** Includes an interest deduction **33**

**34** Tuition and fees. Attach Form 8917 **34**

**35** Domestic production activities deduction. Attach Form 8903 **35**

**36** Add lines 23 through 35 **36**

**37** Subtract line 36 from line 22. This is your adjusted gross income **37**

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320E Form 1040 (2014)

**29** Self-employed health insurance deduction **29**

**30** Penalty on early withdrawal of savings **30**

**31a** Alimony paid b Recipient's SSN **31a**

**32** IRA deduction **32**

**33** Student loan interest deduction **33**

**34** Tuition and fees. Attach Form 8917 **34**

**35** Domestic production activities deduction. Attach Form 8903 **35**

**36** Add lines 23 through 35 **36**

**37** Subtract line 36 from line 22. This is your adjusted gross income **37**

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320E Form 1040 (2014)

Enlarged View

# Form 1099-R

## Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0119		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
PAYER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code		1 Gross distribution \$	2014 Form 1099-R	
		2a Taxable amount \$	2b Taxable amount not determined <input type="checkbox"/>	
PAYER'S federal identification number	RECIPIENT'S identification number	3 Capital gain (included in box 2a) \$	4 Federal income tax withheld \$	
RECIPIENT'S name		5 Employee contributions /Designated Roth contributions or insurance premiums \$	6 Net unrealized appreciation in employer's securities \$	
Street address (including apt. no.)		7 Distribution code(s)	8 Other	
City or town, state or province, country, and ZIP or foreign postal code		9a Your percentage of total distribution %	9b Total employee contributions \$	
10 Amount allocable to IRR within 5 years \$	11 1st year of desig. Roth contrib.	12 State tax withheld \$	13 State/Payer's state no.	14 State distribution \$
Account number (see instructions)		15 Local tax withheld \$	16 Name of locality	17 Local distribution \$

# Form RRB-1099-R

## Annuity or Pension Payments by the Railroad Retirement Board Tier 2 Benefits

PAYER'S NAME, STREET ADDRESS, CITY, STATE, AND ZIP CODE <b>UNITED STATES RAILROAD RETIREMENT BOARD</b> 844 N RUSH ST CHICAGO IL 60611-2092		2014		<b>ANNUITIES OR PENSIONS BY THE RAILROAD RETIREMENT BOARD</b>	
PAYER'S FEDERAL IDENTIFYING NO.		3. Employee Contributions		<b>COPY B -</b>  <b>REPORT THIS INCOME ON YOUR FEDERAL TAX RETURN. IF THIS FORM SHOWS FEDERAL INCOME TAX WITHHELD IN BOX 9 ATTACH THIS COPY TO YOUR RETURN.</b>  <b>THIS INFORMATION IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE.</b>	
1. Claim Number and Payee Code		4. Contributory Amount Paid			
2. Recipient's Identification Number		5. Vested Dual Benefit			
Recipient's Name, Street Address, City, State, and Zip Code		6. Supplemental Annuity			
		7. Total Gross Paid (Sum of boxes 4, 5, and 6)			
		8. Repayments			
		9. Federal Income Tax Withheld			
		10. Rate of Tax		11. Country	12. Medicare Premium Total

# Form SSA-1099

## Social Security Benefit Statement

FORM SSA-1099 – SOCIAL SECURITY BENEFIT STATEMENT		
<b>2014</b> • PART OF YOUR SOCIAL SECURITY BENEFITS SHOWN IN BOX 5 MAY BE TAXABLE INCOME. • SEE THE REVERSE FOR MORE INFORMATION.		
Box 1. Name		Box 2. Beneficiary's Social Security Number
Box 3. Benefits Paid in 2014	Box 4. Benefits Repaid to SSA in 2014	Box 5. Net Benefits for 2014 (Box 3 minus Box 4)
DESCRIPTION OF AMOUNT IN BOX 3		DESCRIPTION OF AMOUNT IN BOX 4
<div style="position: relative; height: 400px;"> <span style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%) rotate(-45deg); font-size: 100px; opacity: 0.3;">SAMPLE</span> </div>		Box 6. Voluntary Federal Income Tax Withheld
		Box 7. Address
		Box 8. Claim Number (Use this number if you need to contact SSA.)
Form SSA-1099-SM (1-2015)		DO NOT RETURN THIS FORM TO SSA OR IRS

# Form RRB-1099

## Payments by the Railroad Retirement Board Tier 1 Benefits

UNFOLD TO SEE ALL TAX STATEMENT FORMS - SEE REVERSE SIDE FOR GENERAL INFORMATION			
PAYER'S NAME, STREET ADDRESS, CITY, STATE, AND ZIP CODE <b>UNITED STATES RAILROAD RETIREMENT BOARD</b> 844 N RUSH ST CHICAGO IL 60611-2092		<b>2014</b>	<b>PAYMENTS BY THE RAILROAD RETIREMENT BOARD</b>
PAYER'S FEDERAL IDENTIFYING NO.		3. Gross Social Security Equivalent Benefit Portion of Tier 1 Paid in 2014	
1. Claim Number and Payee Code		4. Social Security Equivalent Benefit Portion of Tier 1 Repaid to RRB in 2014	
2. Recipient's Identification Number		5. Net Social Security Equivalent Benefit Portion of Tier 1 Paid in 2014	
Recipient's Name, Street Address, City, State, and Zip Code		6. Workers' Compensation Offset in 2014	
		7. Social Security Equivalent Benefit Portion of Tier 1 Paid for 2013	
		8. Social Security Equivalent Benefit Portion of Tier 1 Paid for 2012	
		9. Social Security Equivalent Benefit Portion of Tier 1 Paid for Years Prior to 2012	
		10. Federal Income Tax Withheld	11. Medicare Premium Total

**COPY C -**  
 FOR  
 RECIPIENT'S  
 RECORDS.  
  
 THIS  
 INFORMATION  
 IS BEING  
 FURNISHED  
 TO THE  
 INTERNAL  
 REVENUE  
 SERVICE.

**FORM RRB-1099**

**DO NOT ATTACH TO YOUR INCOME TAX RETURN**

# For Assistance

Homestead Exemption Toll-Free Line  
888-475-5101

[revenue.nebraska.gov/PAD/homestead.html](http://revenue.nebraska.gov/PAD/homestead.html)

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# Business Taxes

# E-file and Electronic Payment Mandates

The payment threshold is lowered annually.

- July 1, 2014 \$ 8,000
- July 1, 2015 \$ 7,000
- July 1, 2016 \$ 6,000
- July 1, 2017 and after \$ 5,000

Any businesses with multiple locations that have been granted permission to file “combined” sales tax returns **must** e-file.

For more detailed information on e-file and electronic payment requirements, see our [website](#).



# Electronic Payment Options

## Supported tax programs:

- Air carrier
- ATV/UTV sales and use tax
- Car line
- Cigarette purchase orders
- Cigarette tax
- Corporation income tax
- Documentary stamp tax
- Fiduciary estimated
- Fiduciary extensions
- Fiduciary income tax
- Income tax withholding
- Litter fee
- Lodging tax
- Motor fuels taxes
- Motorboat sales tax
- Other tobacco products tax
- Partnership extensions
- Partnership income tax
- Prepaid wireless surcharge
- Sales and use tax
- Severance and conservation tax
- Tire fee
- Use tax
- Waste reduction and recycling fee



Property Assessment



Motor Fuels



Charitable Gaming



Nebraska Lottery



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Useful Links

## Electronic Payment Options for State Taxes

[Click Here for a Description of Payment Options](#)

### Mandate Information

#### Nebraska e-pay

*State withdraws funds from your bank account, based on the information you provide.*

#### ACH Credit

*You work with your bank to deposit funds into the State's bank account.*

#### Tele-pay

*Click the Tele-pay button above for instructions on paying taxes by phone.*

#### Credit Card

*Use a credit card to make tax payments.*

#### Payment Plan

*Work with the Department to pay your balance due.*

# Income Tax Withholding

- When filing wage and tax statements, any employer or payor who issues more than 50 wage and tax statements must [e-file](#) those statements with the Department.
  - This includes Forms W-2, W-2G, 1099-R, and 1099-MISC.
  - Statements must be filed by February 1.
  - Use the Nebraska W-2 File Creator to assist you with uploading Forms W-2 electronically. See the [instructions on our website](#).

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# **Business Taxes**

## **2014**

### **Legislative Changes**

# Market-based Apportionment for Multi-state Businesses

- For taxable years beginning on and after January 1, 2014, sales of intangibles are sourced to the location where the buyer uses the intangible.
- Previously, sales of intangibles and services were sourced to the location where the income-producing activity was performed (costs of performance apportionment).
- Communications companies will continue to source income to the location where the income-producing activity is performed.

**LB 872** (2012), Operative Date January 1, 2014.

# Net Operating Loss Carryforward

- 20-year net operating loss carryforward
  - Net operating losses incurred in tax years beginning on and after January 1, 2014, may be carried forward to each of the 20 taxable years following the year of loss
  - Previously, the carryforward period was five taxable years
  - Capital loss carryforward remains five taxable years
  - No carrybacks are allowed

**LB 872** (2012), Operative Date January 1, 2014.

# Sales and Use Tax

- New Sales Tax Exemptions
  - Gold, silver, platinum, or palladium bullion (04/01/14)
  - Metal or paper used as currency (04/01/14)
  - Separately-stated charges for U.S. postage on direct mail (04/01/14)
  - Liberalized qualifications for C-BED projects (07/18/14)
  - Agricultural repair and replacement parts (10/01/14)
  - Energy used to compress natural gas used as a fuel for motor vehicles (01/01/15)

For more detailed information, see [2014 Nebraska Legislative Changes](#) on our website.

# Changes in Local Sales Tax

## Notification to Permitholders of Changes in Local Sales and Use Tax Rates Effective April 1, 2015 (updated 12/02/2014)

Effective **April 1, 2015**, the following cities, villages, and county will **start** a new local sales and use tax:

Locality	Rate
• Benedict	1.5%
• Callaway	1.0%
• Dakota County	0.5%
• Decatur	1.0%
• Elwood	1.0%
• Stanton	1.5%
• Upland	0.5%
• Utica	1.5%

Also effective **April 1, 2015**, the following cities and villages will **increase** their local sales and use tax rates:

Locality	Increased Rate
• Bancroft	1.5%
• Bassett	1.5%
• Burwell	1.5%
• Duncan	1.5%
• Fairbury	2.0%
• Howells	1.5%
• Minden	2.0%
• Nebraska City	2.0%
• Norfolk	2.0%
• Rushville	1.5%
• Wayne	1.5%
• York	2.0%

A municipality, except Omaha, may impose a local sales tax of 1.75% or 2% if the rate increase is approved by at least 70% of the municipality's governing body and by a vote of the voters residing within the municipality.



# Updated Information Guides

- Statutory Responsibilities for Collecting, Reporting, and Remitting Nebraska Taxes..... 06/2014
- Refund, Protest, and Appeals Process Flowchart..... 05/2014
- How to Protest a Notice of Deficiency Determination.....05/2014

For more information, see the [Information Guides](#) on our website.

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# **Nebraska Taxes**

## **2015**

### **Legislative Changes**

# 2015 Legislation

- The 2015 Nebraska Legislature is in session until June 5, 2015.
- Watch our website for 2015 Major Legislative Changes for additional information on tax-related legislation.
- LB 260 & LB 261 Department Bills
  - LB260 allows the Property Tax Administrator to make corrections of errors affecting value of centrally assessed companies within three years of value being certified to counties, or tax being distributed to counties.

# 2015 Legislation

- LB 261

- Removes references to the Property Tax Administrator as the county assessor for the nine counties where he/she was responsible for assessment functions prior to 2013.
- Provides air carriers an adjustment to prevent discriminatory tax treatment as prohibited under the Federal Tax Equity and Fiscal Responsibility Act.
- Clarifies cigarette tax return information is not confidential.
- Audit information for miscellaneous tax programs may be shared with federal, state, and local law enforcement.
- Allows limited liability companies with nonresident members to be qualified owners of a C-BED project.
- Prohibits interest on refunds paid on tax credits authorized under the Nebraska Job Creation and Main Street Revitalization Act and the Renewable Energy Tax Credit.

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# **Publishing Department Responses**

# Publishing Department Responses

- General Information Letter (GIL)
  - General response to one or more taxpayers posted on our website
- Revenue Ruling
  - Interprets or applies tax law in general or to a specific set of facts posted on our website
- Taxpayer Ruling
  - Applies to a specific set of facts related to a specific taxpayer
  - Private version only to the taxpayer requesting the ruling
  - Public version posted on our website with confidential information redacted
- Disclosure of Department Responses to Taxpayers
  - Revenue Ruling 99-14-1..... 07/21/14



**Reminder:**  
**Sign up for GovDelivery!**

**Thank you!**

**[revenue.nebraska.gov](http://revenue.nebraska.gov)**